# GOVERNMENT OF INDIA
# COAL
# LOK SABHA

UNSTARRED QUESTION NO:5857
ANSWERED ON:04.05.2005
INVESTMENT IN COAL SECTOR
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

**Will the Minister of COAL be pleased to state:**

(a) whether despite adequate coal reserves in the country, the gap between demand and supply of coal has been increasing over the years in the absence of proper mining activities;

(b) if so, the details thereof;

(c) whether several Indian organizations have decided to invest in the coal mining industry abroad especially in Australia, Canada and Indonesia;

(d) if so, the details thereof;

(e) the reasons for Indian organizations preferring foreign country for investment; and

(f) the details regarding the status off reign investment in the coal sector in India?

## Answer

THE MINISTER OF STATE FOR COAL (DR. DASARI NARAYANA RAO)

(a) & (b): No, Sir. As per mid term appraisal by Planning Commission, the projected gap of 55 million tonnes will decrease to a level of 42.50 million tonnes during the terminal year of 10th Plan(2006-07).

(c) to (e): Coal India Limited(CIL) has submitted non-binding bid for acquiring 25% of equity of Tahmoor Coal Pvt. Ltd, Australia, a subsidiary of Austral Coal Pvt. Ltd., Australia. CIL and Steel Authority of India Limited were short-listed based on submission of non-binding bids. However, it was subsequently not considered prudent by CIL to proceed further as competition between two Public Sector Undertakings was not considered desirable. Since the coking coal reserves are limited in India, to bridge the gap between demand and supply of coking coal, CIL preferred investment abroad. Information regarding other organizations is being collected.

(f): Private Indian companies setting up or operating power projects as well as coal or lignite mines for captive consumption are allowed foreign equity upto 100% provided that the coal or lignite produced by them is meant entirely for captive consumption. No foreign investment in coal sector has been made till date.